



Flood Insurance Agent Manual April 1, 2018 Edition Policy Cancellation and Refund Rules

Cancellation/Nullification – Section 14, Pages CN5-CN6

Insurance No Longer Required by Mortgagee Because Property Is No Longer Located in a Special Flood Hazard Area Because of a Physical Map Revision or LOMR (TRRP Reason 09)

This reason can be used when flood insurance was initially required by the mortgagee or other lender because the building was determined to be in an SFHA but was removed from the SFHA following:

- The physical revision of a map.
- The issuance of a Letter of Map Revision (LOMR).
- The lender's determination that coverage is no longer required for a structure on a residential property that is detached from the primary residential structure and does not serve as a residence.

This cancellation reason may be used even if the policy was rated in a non-SFHA due to grandfathering, if the property was newly mapped, or was eligible for the PRP extension.

- Cancellation Effective Date: The date the cancellation request, including all supporting documentation, is received by the insurer.
- Type of Refund: Pro rata premium refund, including ICC premium and Reserve Fund Assessment, will apply to the policy term in which the cancellation became effective. The Refund does not include the Federal Policy Fee, Probation Surcharge, or HFAA surcharge.
- Cancellation Request: Must be received within the policy year.
- Required documentation: A copy of the revised Map or LOMR; or, in the case of multi-property LOMRs that do not list the property's specific building, street address, lot number, or rural address, any of the following and a copy of the LOMR:
 - A letter that an insured received from their community official stating that their building was removed from the SFHA by a multiproperty LOMR.
 - A letter from the applicable community official, on official letterhead, stating that the building was included in an area removed from the SFHA by the multiproperty LOMR, which listed only boundaries/intersections of streets, lot numbers, or rural addresses.

- In cases, and only in cases, where (1) a community official could not or would not provide a letter, or (2) the building has a rural address, the following set of 2 documents may be submitted:

- A copy of a legal notice, such as a real estate assessment notice or a water/sewer notice, that shows the lot number, street or rural address, or other legal designation of the location of the building; and
- A letter from a mortgage lender that (1) shows the lot number, street or rural address, or other legal designation of the location of the building; and (2) states that the building was within the boundaries of the area removed from the SFHA by the LOMR.

Letters from community officials must match the street address and lot number with a specific multiproperty LOMR, stating that the individual building street address, lot number, or rural address (e.g., RR, Box #, Hwy) was included in the area covered by the LOMR. The insurer may accept zone determinations in lieu of the documentation cited above for these situations.

- A signed statement from the insured that the policy is no longer required by mortgagee because property is no longer in an SFHA due to physical map revision or coverage is no longer required by mortgagee for a detached structure.
- If a condominium association seeks to cancel an RCAP, the condominium association must provide a signed letter that lists the number of units and specifies the owner of each unit. Every unit owner must provide a lender release or sign a statement that there is no lender.

See example verification letter regarding no requirement to maintain flood insurance coverage, found near the end of this section of the manual.

- Years Eligible for Refund: Current year.